

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 95-645-C - ORDER NO. 95-1518 ✓
SEPTEMBER 14, 1995

IN RE:	Application of Calls for Less, Inc.)	ORDER
	for a Certificate of Public Convenience)	APPROVING
	and Necessity to Provide Intrastate)	CERTIFICATE
	Resold Telecommunications Services,)	
	including Related Operator Services)	
	and Debit Card Services, Within the)	
	State of South Carolina.)	

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of Calls for Less, Inc. (CFL or the Company) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services, including operator services and debit card services, in the State of South Carolina. The Company's Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1993) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed CFL to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of CFL's Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. CFL complied with this instruction and provided the Commission with proof of publication

of the Notice of Filing. No Protests for Petitions to Intervene were received by the Commission.

A hearing was commenced on August 29, 1995, at 11:00 a.m., in the Commission's Hearing Room. The Honorable Rudolph Mitchell, Chairman, presided. CFL was represented by John F. Beach, Esquire. Florence P. Belser, Staff Counsel, represented the Commission Staff.

Mark Angell, an owner of CFL, appeared and offered testimony in support of CFL's Application. Mr. Angell stated that CFL is a privately held, Nebraska corporation which is registered to do business in South Carolina as a foreign corporation. According to Mr. Angell, CFL proposes to offer long distance services and alternate operator services using resold transmission services of carriers certificated to carry traffic in South Carolina. CFL currently uses WillTel as its underlying carrier.

According to Mr. Angell, CFL also proposes to offer debit card services. Mr. Angell testified that CFL will comply with the Commission's Rules and Regulations regarding Operator Service Providers and that CFL will adhere to the established guidelines and policies of the Commission, including those guidelines established in Commission Order No. 93-462, regarding the completion of intraLATA calls. Mr. Angell also discussed CFL's financial situation and offered that CFL is financially qualified to provide resold telecommunications services.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the

Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. CFL is incorporated under the laws of the State of Nebraska and is licensed to do business as a foreign corporation in the State of South Carolina by the Secretary of State.

2. CFL operates as a non-facilities based reseller of interexchange services and wishes to provide its services in South Carolina.

3. CFL has the experience, capability, and financial resources to provide the services as described in its Application.

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to CFL to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), Foreign Exchange Service, Private Line Service, or through the resale of any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for CFL for its resale services which includes only maximum rate levels for each tariff charge. For intrastate interLATA "0+" collect and calling card calls, CFL may not impose a fixed operator service charge more than the intrastate charges then currently approved for AT&T

Communications, and for the usage portion of the call, CFL may not charge more than the intrastate rates charged by AT&T Communications at the time such call is completed. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

3. CFL shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. CFL shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1994).

4. CFL shall file its revised maximum tariff and an accompanying price list within thirty (30) days of the date of this

Order. The revised tariff shall be consistent with the findings of this Order and shall include the revisions to which Mr. Angell agreed at the hearing. Also, the tariff shall be filed with the Commission in a loose-leaf binder.

5. CFL should be allowed to incorporate in its tariff a surcharge for operator-assisted and calling card calls not to exceed \$1.00 for calls originated at hotels and motels and at customer-owned pay telephones only if the property owners have not added a surcharge already. That is, the Company may not impose an additional surcharge to calls originating at hotels and motels and customer-owned pay telephones if such a surcharge has already been imposed by the property owners. If such a charge is applied, however, it should be paid in its entirety to the customer by the Company. Further, if the surcharge is applied, the user should be notified of imposition of the surcharge. This notification should be included in the information pieces, such as tent cards or pay telephone stickers, identifying the Company as the operator service provider for pay telephones and guest phones.

6. CFL is required to provide "tent" cards to hotels and motels for placement next to guest telephones and stickers to customer-owned pay telephones identifying it as the provider of operator service for intrastate interLATA distance calls. CFL is required to brand all calls identifying itself as the carrier for the motel or hotel. The information pieces shall be consistent with the format approved by the Commission in Order No. 93-811, issued in Docket No. 92-557-C.

7. For the provision of operator services, CFL shall comply with the Operator Service Provider Guidelines approved in Order No. 93-534, issued in Docket No. 93-026-C.

8. CFL is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

9. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if they so desire.

10. CFL shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If CFL changes underlying carriers, it shall notify the Commission in writing.

11. With regard to the origination and termination of toll calls within the same LATA, CFL shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).


12. CFL shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

13. With regard to CFL's debit card, the Commission requires CFL to post a bond prior to offering the debit card. Due to the nature of the service proposed by CFL where a subscriber must pay for services before the services are rendered, this Commission

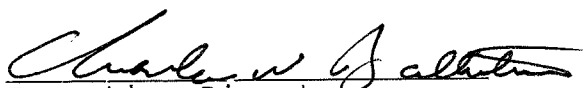
believes that a bond is necessary for the protection of the subscribers in South Carolina until such time as the Company has had the opportunity to demonstrate its stability. Therefore, the Commission requires as a condition precedent to offering the debit card that CFL post a bond with the Commission by delivering to the Commission Certificates of Deposit in the amount of Five Thousand (\$5,000.00) Dollars, and drawn in the name of the Public Service Commission of South Carolina. The Certificates of Deposit shall be drawn on federal or state chartered banks or savings and loan associations which maintain an office in this state and whose accounts are insured by either the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation. After twelve (12) months from the date of this Order, the Commission will review the Company's financial reports and operations in this State and reassess the requirement of CFL maintaining a bond.

14. That this Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


CHAIRMAN

ATTEST:


Executive Director

(SEAL)

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ATTACHMENT A

ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS
FOR INTEREXCHANGE COMPANIES AND AOS'S

COMPANY NAME

FEI NO.

ADDRESS

CITY, STATE, ZIP CODE

PHONE NUMBER

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS* FOR 12
MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING _____.

* THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION
WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX,
CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE* AT DECEMBER 31 OR FISCAL YEAR
ENDING _____.

* THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING
DECEMBER 31 OR FISCAL YEAR ENDING _____.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS
WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT
(SEE #3 ABOVE).

SIGNATURE

NAME (PLEASE TYPE OF PRINT)

TITLE